

House Bill 801 (AS PASSED HOUSE AND SENATE)

By: Representatives Ralston of the 7th, Meadows of the 5th, Dickson of the 6th, and Graves of the 12th

A BILL TO BE ENTITLED

AN ACT

1 To create the Coosawattee Regional Water and Sewerage Authority; to provide for legislative
2 intent; to provide for definitions; to provide for a board; to provide for certain powers; to
3 provide for the limitation of certain powers; to provide for certain services to members of the
4 water and sewerage authority; to require bonds from contractors; to provide certain
5 requirements regarding contracts with the water and sewerage authority; to authorize the
6 issuance of revenue bonds; to provide for the forms, denominations, registration, and
7 placement of bonds; to require signature and seal on all bonds; to provide for the
8 negotiability of bonds; to provide for certain exemptions from taxation; to provide for the
9 sale and price of bonds; to provide for certain requirements for the proceeds of bonds; to
10 provide for interest receipts and certificates or temporary bonds; to provide for the
11 replacement of lost or damaged bonds; to provide for certain requirements prior to issuing
12 bonds; to provide that a member entity of the water and sewerage authority shall not pledge
13 its credit for bonds; to provide trust indenture as security for bonds; to provide for the
14 payment of the proceeds of sale of bonds; to provide for a sinking fund; to provide for certain
15 remedies for bondholders under certain circumstances; to provide for the refunding of bonds
16 under certain circumstances; to provide for venue and jurisdiction; to provide for validation
17 of bonds pursuant to Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia
18 Annotated, "The Revenue Bond Law"; to provide for the protection of the bondholders'
19 interest; to provide that moneys received be considered trust funds; to provide authority to
20 modify rates, fees, or charges; to provide for rules and regulations; to provide for financial
21 statements and audit reports; to provide for related matters; to repeal conflicting laws; and
22 for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Short title.

This Act shall be known and may be cited as the "Coosawattee Regional Water and Sewerage Authority Act."

SECTION 2.

Legislative intent.

The General Assembly recognizes, supports, and encourages comprehensive regional planning in anticipation of growth in the utilization of regional water resources. The General Assembly supports the concept that each member entity should be free to plan and determine its own growth strategy in the utilization of its share of regional water resources as well as to plan for other infrastructure growth in conjunction with community needs and standards. The General Assembly intends for the authority created by this Act to assist in the planning, implementation, and management on a regional basis of the water resources of its participating members and strongly encourages regional planning for a growth strategy to ensure that water resources will be efficiently and effectively utilized by each of the authority's members.

SECTION 3.

Coosawattee Regional Water and Sewerage Authority.

There is created a body corporate and politic, to be known as the Coosawattee Regional Water and Sewerage Authority, which shall be deemed to be a political subdivision of the State of Georgia and a public corporation and by that name, style, and title said body may contract and be contracted with, bring and defend actions, sue and be sued, implead and be impleaded, and complain and defend in all courts. The authority shall make rules and regulations for its own government and shall have perpetual existence.

SECTION 4.

Purpose of the water and sewerage authority.

Without limiting the generality of any provisions of this Act, the general purpose of the water and sewerage authority is declared to be that of acquiring and developing adequate sources

1 of water supply, including, but not limited to, the construction of reservoirs; the treatment
2 of such water, and the transmission of such water within the Coosawattee River Basin area
3 to the various counties, municipalities, and public authorities located therein; and the
4 collection and treatment of waste water from the counties, municipalities, and public
5 authorities within the Coosawattee River Basin area. It is recognized that water resources
6 are finite, and that water conservation shall be encouraged by this water and sewerage
7 authority, the member entities, and all water users within the area. It is a further objective
8 of the water and sewerage authority to fulfill its purposes and perform its projects in an
9 environmentally sensitive manner and to strictly limit interbasin transfers of water.

10 **SECTION 5.**

11 **Definitions.**

12 (a) As used in this Act, the term:

13 (1) "Board" means the governing body of the water and sewerage authority created in
14 Section 6 of this Act.

15 (2) "Cost of the project" means the cost of planning, design, and construction; the cost
16 of all lands, properties, rights, easements, and franchises acquired; the cost of all
17 buildings, machinery and equipment, financing charges, and interest prior to and during
18 construction and for one year after completion of construction; the cost of compliance
19 with environmental regulations and environment protection; the cost of engineering,
20 architectural, and legal expenses; the cost of plans and specifications; the cost of water
21 conservation programs and activities; other costs necessary or incident to determining the
22 feasibility or practicability of any project; administrative costs and such other costs as
23 may be necessary or incident to the financing authorized in this Act; and the cost of the
24 construction of any project, the placing of the same in operation, and the condemnation
25 of property necessary for such construction and operation. Any obligation or cost
26 incurred for any part of the cost of the project may be paid or reimbursed as such out of
27 the proceeds of revenue bonds, certificates, or other obligations issued under the
28 provisions of this Act for such project.

29 (3) "Interbasin transfers" means the delivery by whatever means of any treated or
30 untreated water outside the drainage basins which exist within the boundaries of Gilmer
31 County, Gordon County, Murray County, and Pickens County.

32 (4) "Member entity" means the City of Calhoun, City of Chatsworth, Pickens County,
33 and the Ellijay-Gilmer County Water & Sewerage Authority unless the governing
34 authority of any such entity has adopted a resolution, at any time, declaring that such
35 entity shall not be a member under this Act. Such withdrawal by any member from the

1 water and sewerage authority shall not affect any previously incurred obligations with
2 respect to the issuance of or payment of any bonds, certificates, or other obligations of
3 the water and sewerage authority.

4 (5) "Project" means and includes the planning, design, acquisition, construction, and
5 management of reservoirs, the acquisition of real property surrounding the reservoirs
6 including watershed areas and all necessary and usual water facilities useful for obtaining
7 one or more sources of water supply including ground water sources; the treatment of
8 water and the transmission and sale of water to wholesale users, including counties,
9 municipalities, the public authorities for the purpose of resale, inside and outside the
10 territorial boundaries of the member entities; water conservation and environmental
11 mitigation; and the management, operation, maintenance, additions, improvements, and
12 extensions of such facilities so as to ensure water utility systems deemed by the water and
13 sewerage authority to be necessary or convenient for the efficient operation of such
14 undertaking. The term "project" shall also include the acquisition of real property for and
15 the planning, design, and construction of waste-water treatment facilities for the purpose
16 of collecting and treating waste water from counties, municipalities, and public
17 authorities; the management, operation, maintenance, additions, improvements, and
18 extensions of such facilities; and all things incident to the foregoing deemed by the water
19 and sewerage authority to be necessary or convenient to ensure adequate waste-water
20 facilities and the efficient operation of such facilities.

21 (6) "Public authority" means any governmental entity which is created by the laws of this
22 state, which is designated as an authority, and which provides services or facilities to the
23 public.

24 (7) "Revenue bonds" and "bonds" mean revenue bonds, certificates, and other obligations
25 of the water and sewerage authority, as defined and provided for in Article 3 of Chapter
26 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law," as amended, and such type of
27 obligations may be issued by the water and sewerage authority as authorized under said
28 article. In addition, such items shall also mean obligations of the water and sewerage
29 authority the issuance of which is specifically provided for in this Act.

30 (8) "Site county" means any county within which the water and sewerage authority
31 causes to be located a reservoir or any facility or improvement for which property is
32 acquired, by condemnation or purchase, in fee simple.

33 (9) "Transmission" means the conveying of raw or treated water from any facility of the
34 water and sewerage authority to any member entity or other city, county, or public
35 authority for the purposes of resale to end users of such water or wholesale purchasers
36 of such water and does not include conveyance of water to ultimate users.

(10) "Water and sewerage authority" means the Coosawattee Regional Water and Sewerage Authority created by Section 3 of this Act. The water and sewerage authority shall take action through its board.

(b) Any project shall be deemed self-liquidating if, in the judgment of the water and sewerage authority, the revenues and earnings to be derived by the water and sewerage authority from such project will be sufficient to pay the costs of operating, maintaining, repairing, improving, and extending the project and to pay the principal and interest of the revenue bonds which may be issued for the costs of such project or projects.

SECTION 6.

Composition of the board.

(a) The water and sewerage authority shall be governed by a board which shall exercise all powers and duties of the water and sewerage authority. The board shall manage the operations of the water and sewerage authority and shall perform such other functions that may be provided for or authorized by law.

(b) The board of the water and sewerage authority shall be composed of the following members having a total of nine votes:

(1) One board member shall be the chief elected officer from each of the following: City of Calhoun, City of Chatsworth, Pickens County, and the chairperson of the Ellijay-Gilmer County Water and Sewerage Authority, unless such official notifies the governing authority, or board, as the case may be, that such official does not wish to serve on the board, in which event that governing authority, or board, shall appoint one of its members to serve on the board in place of that chief elected official or board chairperson. Each member selected to the board pursuant to this paragraph shall have one vote.

(2) One board member shall be appointed by the governing authority of each member city, county, or authority. The member appointed pursuant to this paragraph may be an elected official, employee, consultant, or citizen as determined by the governing authority. Each board member appointed by the governing authority of the city, county, or authority must reside within a member city or county or receive service from the member authority or have a principal place of business within the boundary of a county or city which receives service from the member water and sewerage authority. Each member appointed to the board pursuant to the paragraph shall have one vote.

(3) One board member shall be appointed by the previously identified eight members of the board. The board member appointed by the eight members of the board may, but is not required to, reside within a member city or county or receive service from the

1 member authority. The member appointed to the board pursuant to this paragraph shall
2 have one vote.

3 (c) The regular terms of elected officials, or water and sewerage authority board chairperson,
4 appointed to the board shall be concurrent with their terms of office. Board members
5 appointed pursuant to paragraphs (2) and (3) of subsection (b) of this section shall serve
6 four-year terms. The initial terms of the four members appointed pursuant to paragraph (1)
7 are staggered as follows: the initial member appointed by the City of Calhoun shall have a
8 term of one year; the initial member appointed by the City of Chatsworth shall have a term
9 of two years; the initial member appointed by Pickens County shall have a term of three
10 years; the initial member appointed by the Ellijay-Gilmer County Water and Sewerage
11 Authority shall have a term of four years. Vacancies on the board shall be filled in the same
12 manner as the original appointment to the position vacated.

13 (d) A majority of the total votes of the members of the board shall constitute the quorum
14 necessary for a meeting of the board. It shall require a majority of the quorum present to
15 approve matters coming before the board, except that the following matters shall require a
16 majority of the total votes of the board plus one additional vote: purchases or contracts in
17 excess of an amount established by the board; authorization for the issuance of bonds;
18 acquisition of property by condemnation; and the employment or removal of the executive
19 director. The board members shall elect a chairperson and vice chairperson from among its
20 members and shall also elect a secretary-treasurer who need not be a member of the board.
21 (e) Members of the board shall serve on the board with compensation to be determined by
22 the bylaws enacted by the board and may be reimbursed by the water and sewerage authority
23 for their actual expenses properly incurred in the performance of their duties.

24 (f) The board is authorized to enact bylaws to govern its meetings, attendance and the
25 removal of members for nonattendance, voting, quorum and voting requirements, and other
26 matters relating to the conduct of its affairs not inconsistent with the provisions of this Act.

27 (g) The board shall meet on at least a quarterly basis. Notice of regular meetings shall be
28 published at least one week prior to the scheduled date in a newspaper of general circulation
29 within the jurisdiction of each member.

30 SECTION 7.

31 Powers.

32 The water and sewerage authority is authorized to:

33 (1) Have a seal and alter the seal at its pleasure;

34 (2) Acquire by purchase, lease, or otherwise and to hold, lease, and dispose of real and
35 personal property of every kind and character for its corporate purposes;

(3) Acquire in its own name by purchase on such terms and conditions and in such manner as it may deem proper, or by condemnation in accordance with the provisions of any and all existing laws applicable to the condemnation of property for public use, real property, rights, or easements therein or franchises necessary or convenient for its corporate purposes, to use the same so long as its corporate existence shall continue, and to lease or make contracts with respect to the use of or to dispose of the same in any manner deemed by the board to be to the best advantage of the water and sewerage authority, the water and sewerage authority being under no obligation to accept and pay for any property condemned under this Act except from the funds provided under the authority of this Act; and in any proceedings to condemn, such orders may be made by the court having jurisdiction of the suit, action, or proceedings as may be just to the water and sewerage authority and to the owners of the property to be condemned, and no property shall be acquired under the provisions of this Act upon which any lien or other encumbrance exists, unless at the time such property is so acquired a sufficient sum of money is deposited in trust to pay and redeem the fair value of such lien or encumbrance;

(4) Appoint, select, and employ an executive director and other officers, agents, and employees, including engineering, architectural, construction, and lake management experts, fiscal agents, attorneys, and other professionals, and fix their respective compensation;

(5) Make contracts and leases and to execute all instruments necessary or convenient to carry out the purposes of this Act, including contracts for construction of projects and leases of projects or contracts with respect to the use of projects which it causes to be constructed or acquired, and any and all persons, firms, and corporations and any and all political subdivisions, departments, institutions, or agencies of the state are authorized to enter into contracts, leases, or agreements with the water and sewerage authority upon such terms and for such purposes as they deem advisable; and without limiting the generality of the above, authority is specifically granted to municipal corporations, counties, public authorities, and the water and sewerage authority to enter into contracts, lease agreements, or other undertakings relative to the furnishing and sale of wholesale water facilities and related services by the water and sewerage authority to such municipal corporations, counties, and public authorities, or relative to the furnishing of water facilities and services by municipal corporations, counties, corporations, or individuals to the water and sewerage authority for a term not exceeding 50 years and to enter into contracts, lease agreements, or other undertaking relative to the collection and treatment of waste water, waste-water treatment facilities, and related services by the water and sewerage authority to such municipal corporations, counties, and public authorities or relative to the furnishing of waste water treatment facilities and services by

1 municipal corporations, counties, corporations, or individuals to the water and sewerage
2 authority for a term not exceeding 50 years;

3 (6) Plan, design, construct, erect, acquire, own, lease, repair, remodel, maintain, add to,
4 extend, improve, equip, operate, and manage projects, the cost of any such project to be
5 paid in whole or in part from the proceeds of revenue bonds of the water and sewerage
6 authority, from revenues available from contracting for services, or from such proceeds
7 and any grant from the United States of America, the State of Georgia, or any agency or
8 instrumentality thereof;

9 (7) Accept loans and grants of money, materials, or property of any kind from the United
10 States of America, the State of Georgia, or any political subdivision, agency, or
11 instrumentality thereof upon such terms and conditions as the United States of America,
12 the State of Georgia, or such political subdivision, agency, or instrumentality may
13 impose;

14 (8) Borrow money for any of its corporate purposes, to issue revenue bonds payable
15 solely from funds pledged for that purpose, and to provide for the payment of the same
16 and for the rights of the holders thereof;

17 (9) Exercise any power which is usually possessed by private corporations performing
18 similar functions and which is not in conflict with the Constitution and laws of this state;

19 (10) Purchase policies of insurance as may be deemed appropriate for its corporate
20 purposes;

21 (11) Apply for and accept any and all local, state, or federal permits necessary and
22 convenient for its corporate purposes;

23 (12) Appoint a technical advisory group or such other committees as circumstances
24 might require; and

25 (13) Do all things necessary or convenient to carry out the powers expressly given in this
26 Act.

27 **SECTION 8.**

28 Limitation of powers.

29 (a) The water and sewerage authority:

30 (1) Shall not obligate any member entity to issue or guarantee revenue bonds, nor shall
31 the water and sewerage authority bind the member entity to any capital indebtedness
32 contract until that member entity has approved such issuance or guarantee of an
33 indebtedness contract or revenue bonds by official action or vote as may be required by
34 law;

1 (2) Shall not give preferential rate treatment to any member entity and shall maintain
2 uniform rates for comparable service for each member entity. This provisions shall not
3 impair the ability of member entities to reduce or increase the uniform rate between and
4 among themselves in the event one member provides an enhancement to the water
5 supply, including, but not limited to, treatment or transmission of such water;

6 (3) Consistent with and subject to all state and federal laws and regulations, shall provide
7 for stream withdrawal rights among member entities prior to the funding of any reservoir
8 project; and

9 (4) Shall, consistent with and subject to all state and federal laws and regulations, strictly
10 limit interbasin transfers of water and shall provide that except in the event of a bona fide
11 water emergency, any proposed interbasin transfer of water resources shall be offered to
12 all member entities in proportion to their respective rights to the water pursuant to
13 intergovernmental agreements. Upon such an offer, the member entities shall have 90
14 days to consider said offer and, if accepted, an additional 90 days to commence the
15 acquisition of the water before it may be transferred outside the basin. The sale from one
16 member entity to another shall be at the uniform rate established for the sale of water to
17 member entities by the water and sewerage authority. Member entities shall have the
18 right to waive their right of first refusal. Interbasin transfers in a bona fide water
19 emergency shall be allowed provided they are limited to 60 days in any calendar year and
20 are approved by the member entities.

21 (b) The member entities shall not sell or transmit the water resources of the water and
22 sewerage authority outside of the geographical boundaries of the member entities unless such
23 water resource capacity is first offered to all member entities in proportion to their respective
24 rights to the water pursuant to intergovernmental agreements. Upon such an offer, the
25 member entities shall have 90 days to consider said offer and, if accepted, an additional 90
26 days to commence the acquisition of the water before it is sold outside the geographical
27 boundaries of the member entities. The sale from one member entity to another shall be at
28 the uniform rate established for the sale of water to member entities by the water and
29 sewerage authority. Member entities shall have the right to waive their right of first refusal.

30 (c) The provisions of paragraph (4) of subsection (a) and of subsection (b) of this section
31 shall not apply to water lines and water customers of the member entities in existence as of
32 the effective date of this Act.

SECTION 9.

Services to member entities.

The water and sewerage authority is authorized to provide water services and facilities, waste-water services and facilities, or both water and waste-water services and facilities to each member entity so long as such entity remains a member entity, in accordance with policies of the water and sewerage authority and agreements among the member entities. Such services and the costs for same shall be delineated in intergovernmental agreements between the water and sewerage authority and member entities.

SECTION 10.

Procurement of goods and services.

The water and sewerage authority shall adopt regulations and requirements for the procurement of goods and services as are reasonable and necessary and consistent with requirements of state law.

SECTION 11.

Contractors to give bond.

The water and sewerage authority shall adopt regulations and requirements for bonds from contractors who are awarded contracts by the water and sewerage authority as are reasonable and necessary and consistent with requirements of state law.

SECTION 12.

Authority members not to be interested in contracts.

The water and sewerage authority is prohibited from entering into a contract for the purchase of goods, property, or services with any individual who serves on the board of the water and sewerage authority or who is that individual's employer, partner, principal, agent, servant, or employee, nor shall the water and sewerage authority enter into any contract in which such individual is financially interested, directly or indirectly. No individual who serves on the board nor that individual's partner, employer, principal, agent, servant, or employee shall enter into any contract with the water and sewerage authority or sell to the water and sewerage authority any goods, property, or service; provided, however, that this section shall not apply to goods or services purchased from any public utility which is regulated by the Georgia Public Service commission, nor to goods or services purchased from any county,

1 municipal corporation, public authority, or this state. Any contract made in violation of this
2 section shall be void.

3 **SECTION 13.**

4 Revenue bonds.

5 The water and sewerage authority, or any public authority or body which had or which may
6 in the future succeed to the powers, duties, and liabilities vested in the water and sewerage
7 authority created by this Act, is authorized, at one time or from time to time, to provide by
8 resolution for the issuance of revenue bonds of the water and sewerage authority for the
9 purposes of paying all or any part of the cost of any one or more projects. The principal and
10 interest of such revenue bonds shall be payable solely from the special fund provided in
11 Section 25 of this Act for such payment. The bonds of each issue shall be dated, shall bear
12 interest at such rate or rates, shall be payable, shall mature at such time or times not
13 exceeding 50 years from their date or dates, shall be payable in such medium of payment as
14 to both principal and interest, and may be made redeemable before maturity at such price or
15 prices and under such terms and conditions as may be determined by the water and sewerage
16 authority in the resolution providing for the issuance of the bonds.

17 **SECTION 14.**

18 Revenue bonds; form; denominations; registration; place of payment.

19 The water and sewerage authority shall determine the form of the bonds and shall fix the
20 interest rates, denomination or denominations of the bonds, and the place or places of
21 payment of principal and interest thereof, which may be at any bank or trust company inside
22 or outside the state. The bonds may be issued in bearer or registered form, or both, as the
23 water and sewerage authority may determine, and provision may be made for the registration
24 of any bond as to principal alone or also as to both the principal and interest.

25 **SECTION 15.**

26 Revenue bonds; signatures; seal.

27 In case any officer whose signature or facsimile signature shall appear on any bonds or on
28 any coupons shall cease to be such officer before the delivery of such bonds, such signature
29 shall nevertheless be valid and sufficient for all purposes the same as if such officer had
30 remained in office until such delivery. All such bonds shall be signed by the chairperson of
31 the board and the official seal of the water and sewerage authority shall be fixed thereto or

1 imprinted thereon and attested by the secretary of the board, and any coupons attached
2 thereto shall bear the signature or facsimile signature of the chairperson of the board. Any
3 coupon may bear the facsimile signature of such person and any bond may be signed, sealed,
4 and attested on behalf of the water and sewerage authority by such persons as at the actual
5 time of the execution of such bonds shall be duly authorized or hold the proper office,
6 although at the date of such bonds such persons may not have been so authorized or shall not
7 have held such office.

8 **SECTION 16.**

9 Revenue bonds; negotiability; exemption from taxation.

10 All revenue bonds issued under this Act shall have and are declared to have all the qualities
11 and incidents of negotiable instruments under the negotiable instruments law of this state.
12 Such bonds and the income thereof shall be exempt from all taxation within this state. The
13 water and sewerage authority shall be exempt from sales and use tax.

14 **SECTION 17.**

15 Revenue bonds; sale; price.

16 The water and sewerage authority may sell such bonds in such manner and for such price as
17 it may determine to be in the best interest of the water and sewerage authority, but no such
18 sale shall be made at a price so low as to require the payment of interest on the money
19 received therefor at a greater rate than the interest allowed by Article 3 of Chapter 82 of Title
20 36 of the O.C.G.A., the "Revenue Bond Law," computed with relation to the absolute
21 maturity of the bonds in accordance with standard tables of bond values, excluding, however,
22 from such computation the amount of any premium to be paid on redemption of any bond
23 prior to maturity.

24 **SECTION 18.**

25 Revenue bonds; proceeds of bonds.

26 The proceeds of such bonds shall be used solely for the payment of the cost of the project or
27 projects, and, unless otherwise provided in the resolution authorizing the issuance of the
28 bonds or in the trust indenture, additional bonds may be issued in like manner to provide the
29 amount of such deficit, which, unless otherwise provided in the resolution authorizing the
30 issuance of the bonds or in the trust indenture, shall be deemed to be of the same fund
31 without preference or priority of the bonds first issued for the same purpose.

SECTION 19.

Revenue bonds; interest receipts and certificates or temporary bonds.

Prior to the preparation of definitive bonds, the water and sewerage authority may issue interim receipts, interim certificates, or temporary bonds, with or without coupons, exchangeable for definitive bonds upon the issue of the latter.

SECTION 20.

Revenue bonds; replacement of lost or mutilated bonds.

The water and sewerage authority may also provide for the replacement of any bond which shall become mutilated or be destroyed or lost.

SECTION 21.

Revenue bonds; conditions precedent to issuance; object of issuance.

Such revenue bonds may be issued without any other proceedings or the happening of any other conditions or things than those proceedings, conditions, and things which are specified or required by this Act. In the discretion of the water and sewerage authority, revenue bonds of a single issue may be issued for the purpose of any particular project. Any resolution providing for the issuance of revenue bonds under this Act shall become effective immediately upon its passage and need not be published or posted, and any such resolution may be passed at any regular or special or adjourned meeting of the water and sewerage authority by its board members at any meeting where a quorum is present and voting requirements are met.

SECTION 22.

Revenue bonds; credit not pledged.

Revenue bonds issued under the provisions of this Act shall not be deemed to constitute a debt of this state, any county or municipality thereof, or any public authority except the water and sewerage authority created by this Act, nor shall such bonds be deemed a pledge of the faith and credit of this state, any county or municipality thereof, or any public authority except the water and sewerage authority created by this Act, but such bonds shall be payable solely from the fund provided for in this Act; and the issuance of such revenue bonds shall not directly, indirectly, or contingently obligate this state, or any county or municipality thereof, to levy or to pledge any form of taxation whatever therefor or to make any

1 appropriation for the payment of such bonds; and all such bonds shall contain recitals on
2 their face covering substantially the foregoing provisions of this section.

3 **SECTION 23.**

4 Revenue bonds; trust indenture as security.

5 In the discretion of the water and sewerage authority, any issue of such revenue bonds may
6 be secured by a resolution or a trust indenture by and between the water and sewerage
7 authority and a corporate trustee, which may be any foreign or domestic trust company or
8 bank having the powers of a trust company. Such resolution or trust indenture may pledge
9 or assign fees, tolls, revenues, and earnings to be received by the water and sewerage
10 authority. Either the resolution providing for the issuance of revenue bonds or such trust
11 indenture may contain such provisions for protecting and enforcing the rights and remedies
12 of the bondholders as may be reasonable and proper and not in violation of law, including
13 covenants setting forth the duties of the water and sewerage authority in relation to the
14 acquisition of property, the construction of the project, the maintenance, operation, repair,
15 and insurance of the project, and the custody, safeguarding, and application of all moneys
16 and may also provide that any project shall be constructed and paid for under the supervision
17 and approval of registered professional consulting engineers of the State of Georgia or
18 architects employed or designated by and satisfactory to the original purchasers of the bonds
19 issued therefor and may also require that the security given by contractors and by any
20 depository of the proceeds of the bonds or revenues or other moneys be satisfactory to such
21 purchasers and may also contain provisions concerning the conditions, if any, upon which
22 additional revenue bonds may be issued. It shall be lawful for any bank or trust company
23 incorporated under the laws of this state to act as such depository and to furnish such
24 indemnifying bonds or pledge such securities as may be required by the board. Such
25 resolution or trust indenture may set forth the rights and remedies of the bondholders and of
26 the trustee and may restrict the individual right of action of bondholders as is customary in
27 resolution or trust indentures securing bonds and debentures of corporations. In addition to
28 the foregoing, such resolution or trust indenture may contain such other provisions as the
29 board may deem reasonable and proper for the security of the bondholders. All expenses
30 incurred in carrying out such resolution or trust indenture may be treated as a part of the cost
31 of maintenance, operation, and repair of the project affected by such indenture.

SECTION 24.

Revenue bonds; to whom proceeds of bonds shall be paid.

In the resolution providing for the issuance of revenue bonds or in the trust indenture, the water and sewerage authority shall provide for the payment of the proceeds of the sale of the bonds to any officer or person who, or any agency, bank, or trust company which, shall act as trustee, custodian, or depository of such funds and shall hold and apply the same to the purposes of which such bonds were issued, subject to such regulations as this Act and such resolution or trust indenture may provide.

SECTION 25.

Revenue bonds; sinking fund.

The revenues, fees, and earnings derived from any particular project or projects, regardless of whether or not such fees, earnings, and revenues were produced by a particular project for which bonds have been issued unless otherwise pledged and allocated, may be pledged and allocated by the water and sewerage authority to the payment of the principal and interest on revenue bonds of the water and sewerage authority as the resolution authorizing the issuance of the bonds or the trust instrument may provide; and such funds so pledged from whatever source received, which said pledge may include funds received from one or more or all sources, shall be set aside at regular intervals, as may be provided in the resolution or trust indenture, into a sinking fund which shall be pledged to and charged with the payments of:

- (1) The interest upon such revenue bonds as such interest shall fall due;
- (2) The principal of the bonds as the same shall fall due;
- (3) The necessary charges of paying agents for paying principal and interest; and
- (4) Any premium upon bonds retired by call or purchase as provided in this Act.

The use and disposition of such sinking fund shall be subject to such regulations as may be provided in the resolution authorizing the issuance of the revenue bonds or in the trust indenture, except as may otherwise be provided in such resolution or trust indenture. Such sinking fund shall be a fund for the benefit of all revenue bonds without distinction or priority of one over another. Subject to the provisions of the resolution authorizing the issuance of the bonds or the trust indenture, surplus moneys in the sinking fund may be applied to the purchase or redemption of bonds. Any such bonds so purchased or redeemed shall forthwith be canceled and shall not again be issued.

SECTION 26.

Revenue bonds; remedies of bondholders.

Any holder of revenue bonds issued under this Act or any coupons appertaining thereto and the trustee under the trust indenture, if any, except to the extent the rights given in this Act may be restricted by the resolution passed before the issuance of the bonds or by the trust indenture, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the State of Georgia or granted under this Act or under such resolution or trust indenture and may enforce and compel performance of all duties required by this Act or by such resolution or trust indenture to be performed by the water and sewerage authority or any officer thereof, including the taxing, charging, and collecting of revenues, fees, tolls, and other charges for the use of the facilities and services furnished.

SECTION 27.

Revenue bonds; refunding bonds.

The water and sewerage authority is authorized to provide by resolution of its board for the issuance of revenue refunding bonds of the water and sewerage authority for the purpose of refunding any revenue bonds issued under this Act then outstanding, together with accrued interest thereon. The issuance of such revenue refunding bonds, the maturities, all other details thereof, and the duties of the water and sewerage authority with respect to the same shall be governed by the foregoing provisions of this Act insofar as the same may be applicable.

SECTION 28.

Revenue bonds; venue and jurisdiction.

Any action to protect or enforce any rights under this Act or any suit or action against the water and sewerage authority and any action pertaining to validation of any bonds issued under this Act shall be brought in any superior court with jurisdiction over a member entity which shall have exclusive jurisdiction of such actions.

SECTION 29.

Revenue bonds; validation.

Bonds of the water and sewerage authority shall be confirmed and validated in accordance with the procedure of Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law." The petition for validation shall also make a party defendant to such action any municipality, county, public authority, subdivision, or instrumentality of the State of Georgia which has contracted with the water and sewerage authority for furnishing or receiving the services and facilities of the water or waste-water systems for which bonds are to be issued and sought to be validated; and such municipality, county, public authority, subdivision, or instrumentality shall be required to show cause, if any, why such contract or contracts and the terms and conditions thereof should not be inquired into by the court, the validity of the terms thereof be determined, and the contract or contracts adjudicated as security for the payment of any such bonds of the water and sewerage authority. The bonds, when validated, and the judgment of validation shall be final and conclusive with any municipality, county, public authority, subdivision, or instrumentality contracting with the water and sewerage authority.

SECTION 30.

Revenue bonds; interest of bondholders protected.

While any of the bonds issued by the water and sewerage authority remain outstanding, the powers, duties, or existence of the water and sewerage authority or of its officers, employees, or agents shall not be diminished or impaired in any manner that will affect adversely the interests and rights of the holders of such bonds, and no other entity, department, agency, or public authority shall be created which will compete with the water and sewerage authority to such an extent as to affect adversely the interests and rights of the holders of such bonds, nor shall the state itself so compete with the water and sewerage authority. The provisions of this Act shall be for the benefit of the water and sewerage authority and the holders of any such bonds and, upon the issuance of bonds under the provisions of this Act, shall constitute a contract with the holders of such bonds.

SECTION 31.

Moneys received considered trust funds.

All moneys received pursuant to the authority of this Act, whether as proceeds from the sale of revenue bonds, as grants or other contributions, or as revenues, fees, and earnings, shall be deemed to be trust funds to be held and applied solely as provided in this Act.

SECTION 32.

Rates, changes, and revenues; use.

The water and sewerage authority is authorized to prescribe, fix, and collect rates, fees, or charges and to revise from time to time and collect such rates, fees, or charges for the services, facilities, or commodities furnished and, in anticipation of the collection of the revenues of such undertaking or project, to pay from current revenues and issue revenue bonds as provided in this Act to finance in whole or in part the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension of the water or waste-water utility systems and to pledge to the punctual payment of said bonds and interest thereon all or any part of the revenues of such undertakings or projects, including the revenues of improvements, betterments, or extensions subsequently made to the systems.

SECTION 33.

Rules and regulations for operation of projects.

It shall be the duty of the board to prescribe rules and regulations for the operation of the project or projects constructed under the provisions of this Act, including the basis on which water transmission and waste-water services and facilities shall be furnished.

SECTION 34.

Financial statements and audit reports.

(a) The Authority shall establish a fiscal year, which may be a calendar year, for its operation and, as soon as practicable after the end of each fiscal year, the water and sewerage authority shall cause to be prepared and printed a report and financial statement of the water and sewerage authority's operations for the fiscal year just ended and of its assets and liabilities. A copy of such report shall be sent to the governing authority of each member entity and additional copies shall be made available for distribution to the general public on written requests therefor.

(b) The water and sewerage authority shall appoint in due time each year a firm of independent certified public accountants as auditors who shall examine the books, records, and accounts of the water and sewerage authority for the purpose of auditing and reporting upon its financial statement for such year. The report of such auditors shall be appended to such financial statement.

(c) Whenever the water and sewerage authority deems it necessary or advisable, it shall be authorized to employ a firm or firms of qualified engineers or other such professionals to survey the condition of the water and sewerage authority's facilities and operations from an engineering, operational, or environmental standpoint and to make a report thereof together with its recommendations for improvement in its physical facilities and operating procedures. A copy of such report shall be sent to the governing authority of each member entity, and additional copies shall be made available for distribution to the general public on written requests therefor.

SECTION 35.

Exemption from taxes.

It is found, determined, and declared that the creation of the water and sewerage authority and the carrying out of its corporate purposes are in all respects for the benefits of the people of this state and constitute a public purpose and that the water and sewerage authority will be performing an essential governmental function in the exercise of the powers conferred upon it by this Act. The water and sewerage authority therefore shall be required to pay no taxes or assessment upon any of the property acquired by it or under its jurisdiction, control, possession, or supervision or upon its activities in the operation or maintenance of the facilities erected, maintained, or acquired by it or any fees, rentals, or other charges for the use of such facilities or other income received by the water and sewerage authority.

SECTION 36.

Powers declared supplemental and additional.

The foregoing sections of this Act shall be deemed to provide an additional and alternative method for doing the things authorized by this Act, shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as being in derogation of any powers now existing.

SECTION 37.

Liberal construction of Act.

This Act, being for the welfare of various political subdivisions of the state and its inhabitants, shall be liberally construed to effect the purposes hereof.

SECTION 38.

Powers of counties and municipalities.

This Act does not in any way take from member entities or any adjoining county the authority to own, operate, and maintain water or waste-water systems or issue revenue certificates as is provided by Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law."

SECTION 39.

Repealer.

All laws and parts of laws in conflict with this Act are repealed.